

IRS**News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 8/28/01****Release No: IR-2001-74**

The Internal Revenue Service announced today that it has reached an agreement with Merrill Lynch resolving issues relating to tax shelter registration penalties under I.R.C. §§ 6700, 6701, 6707 and 6708 with respect to certain contingent installment sale note transactions in which Merrill Lynch participated in 1989 and 1990.

Under the terms of the agreement, Merrill Lynch neither admitted nor denied that any contingent installment note transaction was required to be registered. Under the terms of the agreement, Merrill Lynch agreed to make a substantial payment to the Internal Revenue Service.

Merrill Lynch has implemented a general tax review for investment vehicles it markets. The review process is intended to assure compliance with tax shelter registration and listing requirements under Federal tax laws.

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